

**Reauthorization Subcommittee Meeting
World Class Conference Room, Kilroy Building, Sea Tac
December 1, 2005, 1:00 – 3:00 p.m.**

Lead: Rodney Eng, (206) 684-8241
Scribe: Searetha Kelly, (360) 902-7941

Name	Organization	Phone	e-mail
<i>Subcommittee Members</i>			
Rodney Eng (Lead) Present	City of Seattle	206-684-8241	rodney.eng.@seattle.gov
Dan Absher Absent	Absher Construction	253-845-9544	dra@abshernw.com
Butch Reifert Absent	Design Industry	206-441-4151	breifert@mahlum.com
Rocky Sharp Present	Electrical Contractor	253-383-4546	rsharp@madsenelectric.com
Ed Kommers Present	Mechanical Contractors	206-612-7304	ekommers@comcast.net
Dave Johnson Absent	WA State Bldg. & Construction Trades Council	360-357-6778	DJIW86@aol.com
John Palewicz Present	UW	206-221-4223	palewicz@u.washington.edu
John Lynch Present	General Administration	360-902-7227	jlynch@ga.wa.gov
Wendy Keller Present	Public Hospital Project Review Board	206-684-1912	Wendy.Keller@metrokc.gov
Tom Peterson (Lyle Martin attended) Absent	Hoffman Construction	206-286-8697	tom-peterson@hoffmancorp.com lyle-martin@hoffmancorp.com
Ashley Probart Absent	Assoc of WA Cities	360-753-4137	ashleyp@awcnet.org
Dick Lutz Absent	Centennial Contractors	360-867-9443	dicklutz@comcast.net
Larry Stevens Present	NECA/MCA	253-212-1536	lwstevens@wwbd.org
Paul Berry Present	Former City of Seattle Employee	206-772-1772	pnberry1@earthlink.net
Steve Goldblatt Present	University of Washington	206-685-1676	bconbear@u.washington.edu
Stan Bowman Present	AIA WA Council	360-943-6012	bowman@aiawa.org
G.S. "Duke" Schaub Present	Associated General Contractors	360-352-5000	dschaub@agcwa.gov

1. Introductions (went around the table)

2. Review of Last Meeting

Mr. Eng stated we are supposed to have this assignment completed by the end of December. At the last meeting we listed issues that are barriers to reauthorization. Rodney asked them to prioritize and group them. He only received six out of 15 back. Received responses from two subcontractors, GA, Hospitals, UW and one contractor. The lowest numbers are the highest priorities and then ranked all of the issues. Some individuals ranked 1 to 20. Those who ranked from ten to 20, just listed the number as ten (so not too much weight and blow up the score). Some didn't rank all of the issues and Rodney gave it a six or next number higher. We have to figure out, what does this mean ranked by raw score? How should we go forward? Grouped issues suggested setting up a task force or each group of issues (which would mean another meeting for individuals to attend).

Mr. Goldblatt said that some of the issues don't rise to the level of statute. Could have an open-ended list.

Mr. Eng asked "What issues need to be resolved and/or barrier to reauthorization?"

Mr. Lynch said that we could be headed towards drafting new Legislation. Maybe we address them and end up in the procedures and/or rules.

Mr. Eng said that we may throw out specific issues for now, so nothing is held up.

Mr. Kommers said that there are more public owners than contractors. We truly have barriers. I like the groups and like the task force idea, even though we will have more meetings.

Mr. Eng stated that the groupings were done solely on numbers. Some said that specific issues were barriers, but really not. We can go through the ranked by raw score and then work on these things in smaller groups.

Mr. Lynch concluded that this group should go through these issues one at a time and get a smaller group to wrestle with these issues.

Mr. Eng said that some issues are death penalty (death to the Legislation) and some not. The owners have lost a huge tool if we don't come out with a reauthorization. We will go through one through 20. Want to be sure that everyone understands what the issues are.

Mr. Schaub stated that the escalation clause would not eliminate costs. We need to have the most current data from the contractors.

Ms. Keller said that some issues will ultimately go to the regular CPARB meetings.

Mr. Goldblatt asked "Does resolution of each issue stand in the way of reauthorization?"

Ms. Keller stated that the Hospitals were asking for more clarity.

Mr. Eng is hoping that we can take the twenty issues and group them into no more than four or five groups (three people per issue, if one person cannot make the meeting not much diversity in opinions).

3. Process for addressing issues that are a barrier to Reauthorization

- a. Review priorities (discussed each one individually)
- b. Group prioritized issues (see list of 20 barriers at end of this document):

Each task force must have a team leader
The task force groups should meet during this month –
December)

Group 1: #s 5, 12, 14, 17 and 20 (Owner and Project Eligibility)

Lead: Stan Bowman
Wendy Keller, Ed Kommers, John Lynch

Group 2: #s 1, 4, 6, and 9 (MACC Group)

Lead: John Palewicz
Dan Absher, Wendy Keller or someone else, Ed Kommers or
someone else

Group 3: #s 2, 3, 7, 8, and 11 (Contractor)

Lead: Ed Kommers or someone else
Dan Absher, Steve Goldblatt, Rocky Sharp, and Rodney Eng
(tentative)

Group 4: #s 10 and 13 (Qualification Issues)

Lead: Paul Berry
Ed Kommers or someone else

Reminder

Reauthorization Committee members that were unavailable for the meeting today, Thursday, 12/1/05 should sign themselves up for a task force. If they don't sign up, Rodney Eng will sign them up for a task force group (noted by sk at CPARB Meeting 4 on 12/8/05).

Mr. Eng stated that he wants the task forces to cc the large subcommittee which will still allow for diverse discussion.

Mr. Lynch stated that the Legislature will reauthorize if there is a new sunset date.

Mr. Goldblatt stated that there are so many issues here on the table. Has to be place to evaluate how we are doing it, needs another sunset date.

Mr. Stevens said that the CPARB was created to have a continued board to bring experts back around the table.

Mr. Eng stated that we will end up with better Legislation when all views are expressed.

CPARB has as unlimited life with limited funding.

Mr. Bowman said that statute is much more than GC/CM. Other issues will arise over time. To remove the sunset off overall statute would be concerting to us.

Mr. Berry stated that the sunset eliminates some uncertainty. Do you want or not want uncertainty? Can hang offer and affect the process.

Mr. Goldblatt asked do they (Legislature) agree to a new sunset date or will they not agree to a second one?

Mr. Eng asked what would give less opposition for the Legislature, sunset or no sunset?

Mr. Palewicz stated that people want some way for the law to evolve from Legislative Session to Legislative Session.

Mr. Eng reiterated what the discussion is: Will there be another sunset? This is the real issue. It is tough to get data on Design Build.

Ed Kommers stated that it is important to have another sunset. Has to have a sunset.

Ms. Keller agrees with having another sunset.

Mr. Lynch doesn't mind if there is another sunset (five years each)

Mr. Bowman said that six or eight years makes more sense than five years. Should have some sort of end date that forces the review.

Mr. Eng stated that we can have one more sunset date. Then we need to fix it this time. Why aren't we sun setting other laws? This process is better than the alternative.

Mr. Goldblatt: The JLARC report didn't reach any solid conclusions. This is still an experiment.

Mr. Bowman: Absent a deadline, these issues don't get resolved. We need to force its review. What is the incentive for getting these problems addressed?

Ms. Keller: The hospitals want this process to continue.

Mr. Eng stated that we should ask for consensus.

Mr. Lynch moved regarding 39.10 – rewrite should be on six years from 2007 (long cycle). Many in favor, none opposed.

Mr. Eng made a follow on motion – sunset and mandatory (periodic) evaluation of the processes.

Mr. Bowman said that there are two issues going on: (1) Sunset Date, (2) Oversight Group.

Mr. Goldblatt said the value of CPARB is that it brings everybody to the table.

Mr. Bowman made a motion: We support (1) Sunset for another six years and (2) Continuation of CPARB as the oversight group. Seconded by Mr. Kommers revising the previously passed motion. All in favor said I and the motion carried.

Mr. Berry mentioned that the professional construction management group was left out of CPARB.

4. Meeting Closure Statement

Mr. Eng stated that the task force groups should be able to:

- a. Succinctly tell what the issue/problem is (define the problem)
- b. Agree on what the problem is and what the proposed solutions are
- c. Where are the differences so we don't have to revisit it as a whole group

- d. If the group comes up with a solution(s) they should share it with the full subcommittee if: statutory language is developed and/or implementable
- 5. Meeting Adjournment: The meeting was adjourned at approximately 3:00 p.m.

Reauthorization Subcommittee
Prioritized List of Issues that are a Barrier to Reauthorization
Ranked by Raw Score¹

Scores 15-30

1. MACC contingency incentive prohibition (do not use a percentage of the MACC for incentive payments to GC/CM). The concern is that the GC/CM does not use the money for its intended purpose but holds it tightly to get a bigger payment at the end of the project. - **17**
2. Change Order Administration – **20**
 - a. Response time
 - b. Percentage markups
3. Standard Subcontract Agreement/Form - **21**
4. Timing for the setting of the MACC (Change to 95% CD) – **21**
5. Clarify definition of eligible projects and owners. Set standards requirements that must be presented prior to approval of a project (i.e. drawings, schedules, budgets, organization chart for owner's team, organization chart for contractor teams, etc.) – **21**
6. Uniformity in the use of MACC contingency – **21**
7. Rewrite subcontractor eligibility standards/requirements/qualifications RCW 39.10.061(a)-(h) - **23**
8. General conditions need to be better defined - **25**
 - a. Create a fee schedule for general conditions?
9. Unforeseen market conditions – **29**

Scores 31-39

10. GC/CM contractor eligibility - **31**
11. Elimination of subcontractor listing requirements (39.30.030) from 39.10.061(6) for sub-bids - **31**

¹ Based on responses from 6 people. 4 people grouped issues and then set priorities for the groups. 2 people prioritized by issue. People's priorities were added together to produce raw score with following adjustments. For those who prioritized by issue, per suggestion of one, all priorities above 9 were given the same ranking of 10. For those who prioritized by group, one person did not rank all issues – unranked issues were all ranked at the next lowest issue.

- 12. A/E part of the GC/CM selection team - **32**
- 13. Standardized RFP selection criteria - **34**
- 14. Centralized approval of eligible projects and owners - **35**
- 15. Resolution of Expansion subcommittee issues - **37**
- 16. Mandatory periodic legislative evaluation process of alternative public works – **38**
- 17. Mandatory training for public agencies - widen eligibility of owners and # projects (expansion committee) - **39**

Scores 40+

- 18. User funded evaluations of projects - **41**
- 19. Ongoing data collection & reporting (results of the data collections subcommittee) - **41**
- 20. JOC - Expansion of the number of contracts; increase in the dollar amount of individual work orders - **42**